

New Mexico State University ARROWHEAD CENTER

LEADING ECONOMIC DEVELOPMENT FOR NEW MEXICO STATE UNIVERSITY



External Service Providers to the National Security Technology Incubator: Formalization of Relationships

National Security Preparedness Project

Grant No: DE-FG52-07NA28084

DOE/NA/28084-133



Submitted
by
Arrowhead Center
New Mexico State University
April 30, 2008



Live, Learn and Thrive

Table of Contents

1.0	INTRODUCTION	1
2.0	SERVICES AND PROVIDERS	1
3.0	COOPERATIVE ARRANGEMENTS	3
4.0	CONCLUSION	4
EXHIBIT A:	SAMPLE LETTER OF COOPERATION	5

“This material is based upon work supported by the Department of Energy [National Nuclear Security Administration] under Award Number DE-FG52-07NA28084.”

“This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States.”

External Service Providers to the National Security Technology Incubator: Formalization of Relationships

1.0 INTRODUCTION

This report documents the formalization of relationships with external service providers in the development of the National Security Technology Incubator (NSTI). The technology incubator is being developed as part of the National Security Preparedness Project (NSPP), funded by a Department of Energy (DOE)/National Nuclear Security Administration (NNSA) grant. This report summarizes the process in developing and formalizing relationships with those service providers and includes a sample letter of cooperation executed with each provider. This document is a deliverable due April 30, 2008, as performance measure 1.3.3 of Grant No: DE-FG52-07NA28084 (reference: Arrowhead Center proposal, Page 15).

The purpose of the NSPP is to promote national security technologies through business incubation, technology demonstration and validation, and workforce development. The NSTI program will focus on serving businesses with national security technology applications by nurturing them through critical stages of early development. The vision of the NSTI program is to be a successful incubator of technologies and private enterprise that assists the NNSA in meeting new challenges in national safety and security. The mission of the NSTI is to identify, incubate, and accelerate technologies with national security applications at various stages of development by providing hands-on mentoring and business assistance.

The Arrowhead Center submitted a report entitled "External Service Providers to the National Security Technology Incubator" as a deliverable for performance measure 1.3.2 in February 2008. The report identified and assessed existing external service providers in southern New Mexico with a focus on supporting the needs of small business.¹ In providing a diverse range of services to NSTI clientele, the Arrowhead Center is entering into formalized agreements with each and will meet regularly to evaluate and assess the program based on client needs. To achieve success for both incubator businesses and the NSTI program, this type of public-private partnership needs to exist and be periodically reviewed. The NSTI program will work closely with the external service providers to ensure that the types of technologies developed in the incubator and the services provided meet the current and future needs of incubator clientele.

2.0 SERVICES AND PROVIDERS

The NSTI program defines external service providers as those entities outside of the NSTI that offer general or specialized business and technology development assistance.

Basic business and technical assistance will serve as the core of the NSTI program with a focus on national security technology firms. By providing necessary building blocks for client's business operations, the small businesses will have greater opportunity to succeed through early stages of development. The following general business services

¹ Arrowhead Center, New Mexico State University (2008), External Service Providers to the National Security Technology Incubator (p. 2-4).

have been identified and recommended by the National Business Incubation Association (NBIA) for meeting initial needs of small and start-up businesses. The NSTI program will provide these basic services internally as well as through cooperative arrangements with external service providers:

- Assistance with planning documents, product commercialization, and financing;
- Assistance with management plans and practices;
- Participation in entrepreneurial workshops and business development seminars;
- Access to consultants for intellectual property issues;
- Access to professional advisors for legal, financial, and accounting assistance;
- Access to networking opportunities within the community and the state.

According to the Greenwood Consulting Group, Inc. (GCGI) feasibility study completed in February 2008, the NSTI should establish relationships with attorneys, both locally and perhaps in Albuquerque and El Paso, for specialization needs.²

In addition to these basic services, the NSTI identified the need for specialized services, in particular for small security technology businesses. These included facilitated access to potential security technology customers, such as the NNSA, Department of Homeland Security, and Department of Defense.

Figure 1 lists business assistance services by provider: the NSTI, Mesilla Valley Economic Development Alliance (MVEDA), Technology Ventures Corporation (TVC), New Mexico – Small Business Development Centers (NM-SBDC), various venture capital and angel investment groups, Women’s Economic Self-Sufficiency Team (WESST Corp.), subject matter experts, and banks.

Figure 1. Business Assistance Services by Provider

Business Assistance Services	NSTI	MVEDA	TVC	NM-SBDC*	VC/Angels	WESST Corp	SMEs	Banks
Feasibility Studies	X							
Business Plans and Basic Business Functions	X		X	X		X		
Technology Commercialization	X		X		X			
Operations Financing						X		X
Shared Office Space/Business Services/Internet	X							
Management Plans and Practices	X							

² Greenwood Consulting Group, Inc. (Jan 2008). Business incubator feasibility study for the Las Cruces, New Mexico area.

Figure 1. Business Assistance Services by Provider (cont)

Business Assistance Services	NSTI	MVEDA	TVC	NM-SBDC*	VC/Angels	WESST Corp	SMEs	Banks
Staff Recruitment and Development	X	X						
Entrepreneurship/Small Business Workshops	X		X	X				
Engineering and Manufacturing Assistance	X							
Angel Investment/Venture Capital					X			
Marketing Plans	X	X		X		X		
Financial/Accounting Assistance	X			X			X	
Federal Procurement Assistance	X	X		X				
Legal and Marketing Assistance				X			X	

3.0 COOPERATIVE ARRANGEMENTS

The NSTI and a portion of its provider network have agreed to identify and provide a comprehensive set of business assistance services to incubator clients to maximize their opportunities for growth and success. Letters of cooperation have been formalized with each of the following external service providers:

- Dona Ana Community College SBDC
- SCORE - "Counselors to America's Small Business"
- MVEDA

Additionally, formal agreements will be developed with the following organizations:

- WESST Corp.
- New Mexico Economic Development Department Partnership
- TVC

Regional stakeholders also have an interest in collaborating and cooperating with NSTI programs for sustainable economic development and include:

- White Sands Missile Range
- Fort Bliss Army Base
- Sandia National Laboratories
- Los Alamos National Laboratory
- New Mexico Economic Development Department
- Greater Las Cruces Chamber of Commerce

4.0 CONCLUSION

The NSTI has formalized relationships with several members of its provider network and will continue to reach formal agreements where beneficial. Letters of cooperation are already in place with MVEDA, DACC-SBDC, and SCORE. These three entities are all located in Las Cruces.

The NSTI will work to identify additional external service providers for its clientele. By reviewing and evaluating the business and technical assistance services on an ongoing basis, the NSTI will be providing the most useful services for its clientele.

EXHIBIT A:

SAMPLE LETTER OF COOPERATION

**Letter of Cooperation
Between
Arrowhead Center
And
Dona Ana Community College
Small Business Development Center
In support of
The National Security Technology Incubator**

The Arrowhead Center, an organizational unit of New Mexico State University (NMSU) supporting the economic and business development mission of the university, received funding from the Department of Energy, National Nuclear Security Administration (NNSA) Grant No. DE-FG52-07NA28084 for the National Security Preparedness Project (NSPP). The NSPP was designed to promote national security technologies through providing business and technology business incubation, technology demonstration and validation, and workforce development. The Arrowhead Center, with support from the DOE/NNSA grant is establishing the National Security Technology Incubator (NSTI) program with a focus of serving businesses with national security technology applications by nurturing them through critical stages of early development.

In establishing the NSTI, the Arrowhead Center identified external service providers in a report submitted to the DOE/NNSA dated February 28, 2008. As part of this report, the Arrowhead Center identified the Dona Ana County Small Business Development Center (DACC-SBDC) as a key partner in delivering business assistance services to NSTI clientele. A primary strategy in nurturing new or expanding businesses and clientele of the NSTI is to leverage existing resources offered in the region by enhancing rather than duplicating a complete scope of services. By entering into cooperative arrangements with existing service providers in the region, the NSTI will be in a position to provide a range of diverse services to client companies through collaborations rather than duplications and provide a comprehensive set of business assistance services to the clientele.

The NSTI has identified the following vision and mission in meeting the needs of clientele:

Vision

The vision of the NSTI is to be a successful incubator of technologies and private enterprise that assist the NNSA in meeting new challenges in national safety and security.

Mission

The mission of the NSTI is to identify, incubate and accelerate technologies with national security applications at various stages of development by providing hands-on mentoring

and business assistance while simultaneously stimulating economic growth throughout southern New Mexico

Whereas the above named institutions recognize that cooperating would be of mutual benefit to the NSTI and its clientele and will serve as an indication of continued interest in other joint projects, it is agreed that:

1. Both parties will cooperate and collaborate in the delivery of business assistance services to NSTI client companies;
2. Both parties will explore avenues for further strengthening their relationship in evaluating and improving services to NSTI clients; and
3. Both parties will annually review this letter of cooperation for continued delivery of business assistance services for growth and expansion of NSTI clientele.

This Letter of Cooperation will become effective on the final date of signing and will have a duration of one year.

In affirmation, on this _____ day of _____, 2008

CEO

Arrowhead Center

Director

DACC -Small Business Development Center